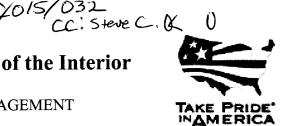
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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov

MAR 0 5 2009

IN REPLY REFER TO:

3480 UT (923) SL-062648

Certified Mail—Return Receipt Requested 7004 2510 0003 7279 5697

Mr. David Hibbs Director, Engineering UtahAmerican Energy, Inc. P.O. Box 1077 Price, Utah 84501

Re: Portal Block Walls/Dewater System Repair, Crandall Canyon Mine

Dear Mr. Hibbs:

The Bureau of Land Management (BLM) issued a notice of noncompliance dated January 18, 2008 to UtahAmerican Energy, Inc. (UEI), for failure to comply with the approved block wall design at the subject mine. Revised plans for the Block Wall/Portal Seals and Dewater System were submitted on May 15, 2008 and approved by this office. This letter is to document the final and installed design of the system and give a disposition of the noncompliance.

During the summer and fall, installation of the system was noted and verified on a number of inspections. The installation is complete and the dewater system is functioning. The block walls, as installed, meet the design standards and are functioning for the needed purposes. The walls with the discharge piping system are controlling the mine water outflow and directing the flow to the proper discharge system. In addition, these walls are providing for temporary protection of the coal resource in the mine workings and a barrier for unauthorized entrance for public safety. Hence, UEI has corrected the noncompliance and the notice is terminated.

These block walls do not constitute final abandonment or sealing of the mine and provide only for temporary protection of the resource while the mine is idle. Final abandonment would require additional plans and coordination with other agencies. Requirements and compliance with other agencies for the whole of the surface facilities are not changed.

PECHVED

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If you have any questions, please contact either Stephen Falk (435-636-3605) at the Price Field Office or Stan Perkes (801-539-4036) of my staff.

/s/J D McKenzie

Jeff McKenzie Acting Chief, Solid Minerals Branch

cc: PFO

Utah Division of Oil, Gas, and Mining (Attn. Daron Haddock), 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, UT 84114-5801

Files - UTU-68082

Chron File

Crandalliftnonblockstoppings termination JM-SA-3-3-09